

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

W.R. GRACE & CO., et al.,

Debtors.

CASE NO. 01-01139 through
01-01200 (JJF)
(Chapter 11)

DATE: April 28, 2003

TIME: 12:00 p.m.

JUDGE: Hon. Judith K. Fitzgerald

**OPPOSITION OF LESSOR WILLIAM B. DUNBAR
TO MOTION OF THE DEBTORS FOR AN ORDER EXTENDING
TIME TO ASSUME, ASSUME AND ASSIGN, OR REJECT UNEXPIRED
LEASES OF NONRESIDENTIAL REAL PROPERTY, FILED MARCH 24, 2003**

WILLIAM B. DUNBAR ("Lessor") entered into a Lease with W.R. Grace & Co.-Conn. ("Debtor") for certain premises located at 4315 Clinton Highway, Knoxville, Tennessee (the "Knoxville Lease"). Lessor opposes the Motion of the Debtors for an Order Extending Time to Assume, Assume and Assign, or Reject Unexpired Leases of Non-Residential Real Property ("Motion") as the Motion pertains to the Knoxville Lease for the reasons stated herein.

The Debtor filed a Chapter 11 bankruptcy petition on April 2, 2001 and then moved for an extension of time to assume or reject its commercial leases. The Court granted a first extension of time until February 1, 2002, then a second extension until October 1, 2002, and then a third extension until April 1, 2003. Lessor is owed percentage rent of \$22,245.23 plus interest and other charges owing under the Knoxville Lease for the year 2000. Lessor filed a Proof of Claim for this amount, Proof of Claim No. CN00002637 (1-27-03).

The Debtor has sublet the premises demised by the Knoxville Lease to Northern Hydraulics of Florida, Inc. ("NHFI"). There is a positive cash flow to the bankruptcy estate.

In this instance there is no cause for a further extension of time for the Debtor to assume or reject the Knoxville Lease. Mr. Dunbar, the Lessor, is 89 years old, in need of the pre-petition rent owed to him and in poor health. He needs to organize his financial affairs and is troubled by the failure of the Debtor to resolve its intentions with respect to the Knoxville Lease. The Debtor's management has had ample opportunity to focus on the Knoxville Lease. The exercise of the Debtor's business judgment does not involve complex or significant financial issues. The amount of prepetition rent and other charges which are required to be paid the Debtor to assume the Knoxville Lease are not significant. The Knoxville Lease generates a positive cash flow to the bankruptcy estate because the premises are sublet to NHFI for more rent than is owed to Lessor. The Knoxville Lease should be viewed as an asset by the Debtors but, if not, then the lease should be rejected rather than dragging this matter out any further.

For the foregoing reasons, the Lessor respectfully submits that the time period under 11 U.S.C. § 364(d)(4) should not be extended for a fourth time. Instead, Lessor respectfully requests that the Debtor be ordered to either assume or reject the Knoxville Lease at this time.

WHEREFORE, Lessor respectfully requests that the Court enter an order (1) denying the motion with respect to the Knoxville Lease, (2) requiring the Debtors to

assume or reject the Knoxville Lease no later then April 28, 2003, and (3) grant such other and further relief as the Court deems appropriate in the circumstances.

DATED: Honolulu, Hawaii, April 9, 2003



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of Opposition of Lessor William B. Dunbar to Motion of the Debtors for an Order Extending Time to Assume, Assume and Assign, or Reject Unexpired Leases of Nonresidential Real Property, Filed March 24, 2003 was duly served by depositing a copy of same and by transmitting a copy via facsimile to the parties addressed on the attached service list on 4/28/2003.

DATED: Honolulu, Hawaii, 4/28/2003



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